GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:76
ANSWERED ON:26.02.2002
LATIT MATHUR COMMITTEE REPORT
MONI KUMAR SUBBA

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) the details of demands made by Assam and other North Eastern States;

(b) whether the Lalit Mathur Committee set up by the Government to go into the demands of these States, has submitted its report;

(c) if so, the details of the recommendations;

(d) the reaction of the Government thereto; and

(e) the details of recommendations likely to be accepted by the Government?

Answer

MINISTER OF RURAL DEVELOPMENT (SHRI M. VENKAIAH NAIDU)

(a): Broadly the demands made by Assam and the other NE States are as follows:

(1) The BPL line of Rs.280.85 per capitaper month as circulated earlier by the Ministry of Rural Development was not realistic for the North Eastern Region. A more realistic definition of poverty taking into consideration the peculiar circumstances and constraints which are prevalent in the North Eastern Region is required because even within the North Eastern States itself there would be disparity if allocation of fund is made based on population.

(2) The proportion of rural poor for each N.E. State should be taken as the main criterion for allotment of funds.

(3) From the 10% allocation under RD Ministry for the N.E. States, sub-allocation to each of the States should be made based on rural population and inverse density of population in which 50% of funds available should be allocated on the basis of population and other 50% of the available funds on the basis of inverse density population. Further, the 10% allocation of funds for rural development in the RD Ministry should be retained with the Ministry for specific rural development programmes only. It should not be linked with programmes having matching State share but should be linked with programmes which are of 100% Centrally Sponsored Scheme.

(4) The unutilized or unavailed amounts should not be surrendered to the non-lapsable pool. They should not be diverted even if delay is there in receiving proposals. It should remain non-lapsable within the Ministry of Rural Development towards a scheme or pool of resources for infrastructure development in rural areas in the States of the NER. The States should be given sufficient liberty and flexibility to formulate their own proposals as per their specific requirements.

(5) Release of funds for the NE States should be in one installment, considering the limited working season in the region as is the case of LEH area in J&K State which is permissible under the guidelines.

(6) Owing to poor resource base and very low capability for resource mobilization, the sharing of funds between the Centre and State should be on the basis of 90:10 and not 75:25

(7) It is desirable to evolve alternative mechanism for micro credit delivery in view of the failures of institutional finances to reach out in the rural areas. The Government of India should support pilot schemes/projects/concept for energizing rural credit

It is also proposed that a certain amount of fund say about Rs.20.00 crores be provided for each State of the North East, from the Central Pool of resources for the North Eastern States, to serve as resource or fund in-lieu of the guarantee for extension of credit to the State through various channelizing agencies.

(8) For the first five years of the SGSY Scheme credit linkage should not be insisted upon and be made optional. The amount of revolving fund for SHGs should be increased to a maximum of Rs.50,000/- from the present level of Rs.10,000/- as this would help in facilitating early group formation, reducing the incubation period of the groups and revolving of fund for productive use.

(9) The implementation of Rural Connectivity under PMGYfor N.E. States should be by the State R.D. Departments and that funds under the programme should be released to the DRDAs immediately on receipt of specific proposals and on sanction of the project by the Ministry of Rural Development.

(10) The allocation of funds under Employment Assurance Scheme should be on need-based basis and not on Rural Population and the Programme be implemented as a `Demand Driven Scheme.

(11) The present Training Institutions for Rural Development are inadequate and needs to be strengthened in the North Eastern Region. Hence, more institutions like ETC should be established in the region as per the requirement of the NE States.Therefore, the recurring and non-recurring expenditure of the SIRD and ETCs in the North Eastern Region should be funded by the Government of India on 100% basis.

(b): Yes Sir.

(c): The major recommendations of The Inter-ministerial Committee on North Eastern Region, headed by Sh. Lalit Mathur as follows:

(i) A State-specific approach should be adopted for all developmental programmes.

(ii) The North Eastern States (including Sikkim) should get their perspective plans completed on priority to provide a platform for the development thrust in rural areas.

(iii) The Village Community Organisations in the North Eastern States must be built upon, strengthened, mainstreamed and utilised in RD programmes.

(iv) The contributions to the Non-lapsable pool by the Departments and the Ministries with programmes in the rural areas must be utilised only for projects of rural development, which must be integrated, composite and focussed programmes, particularly for the poor. The unspent sum transferred to the Non-lapsable Pool by the Ministry of Rural Development shall remain reserved exclusively for Rural Development Projects.It would be appropriate to constitute a Committee in the Ministry of Rural Development for the consideration and approval of projects for Rural Development from the non-lapsable pool.

(v) The States may pool 30-40% of the allocations each year under all the RD programmes put together, for composite projects which should be taken up for implementation over a period of 3-4 years so as to ensure sustainability. The State Governments would be required to formulate proposals and indicate the requirements to the Ministry of Rural Development at the beginning of the year. Suitable Guidelines would need to be issued by the Ministry.

(vi) The Committee have recommended certain changes in the guidelines of major Poverty Alleviation Programmes like the Swaranjayanti Gram Swarozgar Yojana (SGSY), the Indira Awas Yojana (IAY), the Employment Assurance Scheme(EAS) etc. to suit the local conditions and priories of the Region.

(vii) The change in the criterion for the allocation of funds to individual North Eastern States may be reviewed by the Planning Commission, taking into account their respective poverty ratios which could be devised on the basis of the latest NSSO Survey.

(viii) The Committee felt that considering the Special Category status of the North Eastern States, and the decision taken in the Ministry of Textiles, there is a case for agreeing to their request for change in the funding pattern from 75:25 to 90:10 and recommends that the Planning Commission may favorably consider it. However, this could be equally applicable to similarly placed States in other parts of the country as well.

(ix) The North Eastern States may be allowed the necessary flexibility to reallocate RD funds among various Schemes, depending on their local requirements, after due approval by the Ministry of Rural Development.

(d) and (e): The Government has set up a North East Cell in the Ministry of Rural Development, to oversee the implementation of the various Rural development schemes of the Ministry for NE Region. The NE Cell, has also taken up the recommendations of the Inter-ministerial Committee on North Eastern Region with various departments (like Planning Commission, D/o Development of North Eastern Region etc) as well as within the Ministry of Rural Development.